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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Peacekeeping Reserve Fund

Report of the Secretary-General

Summary

The General Assembly, in its resolution 47/217 of 23 December 1992, decided to establish a Peacekeeping Reserve Fund as a cash-flow mechanism to ensure the rapid response of the Organization to the needs of peacekeeping operations.

The present report is submitted pursuant to General Assembly resolution 57/317 of 18 June 2003, in which the Assembly requested the Secretary-General to review the level of the Fund, consequent upon the full establishment of the strategic deployment stocks and the pre-mandate commitment authority.

The action to be taken by the General Assembly is set out in paragraph 8 of the report.

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I. Introduction

1. The United Nations Peacekeeping Reserve Fund was established by the General Assembly in its resolution 47/217 of 23 December 1992 to serve as a cash-flow mechanism to ensure the rapid deployment of peacekeeping operations. In accordance with the resolution, the initial level of the Fund was set at $150.0 million. The General Assembly, in its resolution 49/233 A of 23 December 1994, decided to limit the utilization of the Fund to the start-up phase of new peacekeeping operations, to the expansion of existing ones or to unforeseen and extraordinary expenditures related to peacekeeping.

II. Status of the Fund

2. As reflected in the audited financial statements for the 12-month period from 1 July 2002 to 30 June 2003,[1] the level of the Fund as at 30 June 2003 was $194.297 million. Of that amount, $33.250 million was transferred to the support account for peacekeeping operations for the period from 1 July 2003 to 30 June 2004 under the terms of General Assembly resolution 57/317 of 18 June 2003, leaving an amount of $161.047 million.

3. As at 29 February 2004, the fund balance was $162.977 million and the amount of available cash was $73.957 million. This takes into account $12.820 million in loans to the United Nations Mission in the Central African Republic that are still outstanding and $76.200 million in loans to the United Nations Mission in Liberia (UNMIL) for its start-up requirements. The loan to UNMIL will be repaid when the assessed contributions are received.

III. Review of the level of the Fund

4. On 27 February 2004, the Security Council established the United Nations Operation in Côte d'Ivoire (UNOCI) (resolution 1528 (2004)). The Peacekeeping Reserve Fund will be required to meet the immediate start-up requirements of UNOCI.

5. It is envisaged that new peacekeeping operations may be established during 2004. Pursuant to Security Council resolution 1529 (2004) of 29 February 2004, a peacekeeping operation may be established in Haiti by May or June. In addition, a peacekeeping operation in the Sudan is currently under consideration and may materialize within the next few months, and a United Nations presence in Burundi is also being explored, although no definite information on the timing of its establishment can be projected at this stage. At the same time, the United Nations Mission of Support in East Timor may be extended for a further 12-month period beyond 20 May 2004.

6. A separate report on the status of the strategic deployment stocks (A/58/707) is to be considered by the General Assembly at its resumed fifty-eighth session. Progress has been made in the implementation of the strategic deployment stocks, which are designed to facilitate the rapid deployment of generic requirements of one complex mission. Furthermore, the reserve is now being replenished, as the stocks were utilized to meet the start-up requirements of UNMIL. With the possibility of

new missions being established in rapid succession, the strategic deployment stocks will not have adequate levels of stock to meet all the requirements.

7. Therefore, it is vital that the Peacekeeping Reserve Fund be maintained at its current authorized level. Maximum liquidity in the Fund will be critical to meet the start-up requirements of new operations until their corresponding detailed budgets are submitted to the General Assembly for approval at the main part of its fifty-ninth session and the related assessments are issued and contributions collected.

IV. Action to be taken by the General Assembly

8. **The Secretary-General recommends that the level of the Fund be maintained at $150 million and that the balance in excess of the authorized level of the Fund, namely $11.047 million, be applied to meet the financing of the support account for peacekeeping operations for the period from 1 July 2004 to 30 June 2005.**

Notes

[1] *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 5* (A/58/5), vol. II, chap. V.